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Rise of the CIA

# How Foggy Bottom Lost Its Spies

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Mr. Simpson has occupied many foreign posts for the U.S. State Department and has been active at home in labor affairs. He was associated with the development of the United Nations Charter, has served as Labor Attaché in Brussels, as First Secretary in Athens and Mexico City, as Deputy Principal Officer at the Consulate General in Bombay, and as Consul General in Mozambique. In 1958, Mr. Simpson became adviser on African affairs to the Department of Labor and was Director of the Office of Country Programs in that department. He returned to the State Department, resigned in 1962, but returned as a consultant in 1965.

The article here published will appear as a chapter in Mr. Simpson's Anatomy of the State Department, to be published by Houghton Mifflin in March.

The relations of the State Department with the Central Intelligence Agency are of the most critical sort. They influence the Department's effectiveness, our government's overall management of foreign affairs, and the moral and political principles which we claim to stand for at home and abroad. They are thus crucial to all phases of the leadership we try to exercise in world affairs.

Section 102 (d) of the National Security Act of 1947, which established the CIA, provides that the agency "correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government, using where appropriate existing agencies and facilities." This is a clear statement—as long as one knows what "intelligence" is.

"Intelligence" is simply evaluated information. If we know that a man has landed on the coast of Cuba with a handful of guerrillas and begun hostile operations against the Cuban Government, we have information. Intelligence, on the other hand, tells us who he and his associates are, in terms of background, psychological make-up and political philosophy; what their objectives and chances of success are, and what the results of their success or failure may be.

The CIA is not alone in gathering information pertinent to national defense and converting it into intelligence. It was not intended by the National Security Act to monopolize these functions, nor has it attempted to do so. It specializes in collecting information by surreptitious means, acting as a clearinghouse for all intelligence, and assisting the other members of the intelligence community (primarily State, Defense, the Atomic Energy Commission and the FBI) with some of their special assignments.

Governments—our own included—have from time immemorial engaged in spying. Wherever we have been faced

with a serious problem of gaining or preserving our independence we have resorted to espionage and much that goes with it, including the bribery of foreign officials. We have not liked it. It has always been repugnant to us. But we, like everyone else, have had to yield to the dictates of necessity.

It was our good fortune for many years to have little or no need of espionage in our overseas diplomacy. We used it against the Indians at home, for this was a matter of survival, but once our independence was assured we could give it up in overseas dealings, and it is to our credit that we did so. However, our moral compunctions made it hard even for seasoned diplomats to learn the facts about our changing position as we moved into international politics, and World War I found us at a considerable disadvantage.

A perfect illustration of our dilemma began to unfold in 1913 when Herbert O. Yardley joined the State Department as a young code clerk. Imaginative, questioning, ingenious, he began to suspect that the department's code system was unsafe against the intelligence activities of other governments. To test the soundness of his suspicions he applied himself to breaking all the department's codes without reference to any key. He succeeded. He could not get his point across to the diplomats, however, and, finally discouraged, approached the military intelligence division of the War Department with a proposal to develop a cryptographic unit for breaking codes and devising safe ones.

The War Department took Yardley on, and, while his discouragement by no means ended, he was eventually authorized to organize MI-8, the Intelligence Corps' first unit, to invent new military codes and crack those of other governments. The value of his work became apparent when Yardley deciphered a long message of the German Government offering a generous reward to Mexico for remaining neutral in World War I.

After the re-establishment of peace, the War Department and State arranged to support a group of skilled cryptographers with Yardley at its head. Although he knew not a word of the language, Yardley was able to crack the Japanese code during preparations for the 1922 Washington Disarmament Conference. The United States Government therefore knew precisely what the various fallback positions of the Japanese delegation were to be, and bargained accordingly. The diplomatic advantage of such feats was immeasurable, for we had little preparation to buttress our ambition to exercise some influence in post-

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